

What is the Community Enterprise Growth Plan?

- The Community Enterprise Growth Plan focuses on the untapped potential for growing enterprises with a social purpose across the country, particularly in places and communities that have been deprived of investment in the past.
- The plan centres on providing increased access to capital, dedicated funding to encourage the growth of trading activity, and tailored business support.
- It would see £50m a year of new Dormant Assets deployed over the next 10 years.
- This would be matched by private and philanthropic funds and recycled over time to multiply the benefit of this investment. It would also generate local finance through an uplift in trading, incentivised by match trading initiatives.
- This would double the amount available to communities and ensure the finite resources available through the Dormant Asset scheme are used to maximum effect.

What benefits would the Community Enterprise Growth Plan bring to local communities?

- The Community Enterprise Growth Plan would offer social enterprises, trading charities, community businesses across England the opportunity to access much-needed finance and support the next generation of enterprises to create jobs and build the strong local economies that we need.
- This would help them to get up and running, grow their services, acquire assets, refine their business models and increase their financial resilience.
- It would amplify the numerous ways in which these enterprises with a social purpose contribute to their local communities, such as helping people into employment, alleviating the pressures associated with the cost of living, supporting social mobility, and helping those with long-term health conditions.
- Investment on this scale would make real difference in underserved communities across England, where enterprises with a social purpose run services such as community transport, supported housing, leisure facilities, community venues, arts and culture as well as programmes supporting mental and physical health.
- This means direct support for a wide range of areas from the arts, heritage, and sports to citizenship and community, conservation and the environment, employment, training and education, support for vulnerable families, social and affordable housing and local facilities, financial inclusion, mental health and well-being.

How would the Community Enterprise Growth Plan be delivered?

- It would see Dormant Assets applied to a range of tried and tested interventions to support enterprise and trading activities by VCSEs including:
 - Helping smaller charities and social enterprises to access suitable and affordable finance through blending grants and loans in the places and communities most in need of investment.
 - Start-up funding for a £50m Black-led social investment fund as recommended by the recent Adebowale Commission on Social Investment to tackle the current inequity in social investment.
 - Supporting a vibrant network of non-profit lenders (Community Development Financial Institutions or CDFIs) that can offer affordable finance to community businesses and small enterprises in areas unable to access mainstream lending.
 - Providing tailored business support and incentives for purpose-driven enterprises to grow through trading in the form of match trading initiatives coupled with learning.
- The Community Enterprise Growth Plan utilises existing infrastructure and organisations to deliver long-lasting tangible change at pace. It builds on 10 years' strong track record of using Dormant Assets to invest in social enterprises, community businesses and trading charities and is complementary to other proposed uses of dormant assets.

- **Rapid and measurable impact** - with no expensive set-up costs and established routes to market, money can begin flowing to communities quickly, transforming the sense of opportunity in communities across the country within this Parliament.
- **Return on investment** - Social investment has a proven track record in delivering value for money for the Dormant Assets scheme. This is because social investment returns to the investor so can be used again and again to support more trading charities and social enterprises.
- **Making Dormant Assets go further** - Our plan would look to take the contribution from Dormant Assets and double it by utilising investment from private and institutional investors. Additional private capital is crowded into social investment deals alongside Dormant Assets bringing private investment into funding solutions to chronic policy problems.
- **Community leverage** - social enterprises will have to acquire new customers and build their traded income to unlock enterprise grants and match trading initiatives. This generates local finance of at least an equivalent amount, through the uplift in trading.
- **The ripple effect** - by developing those with appropriate business models we can free up capacity across the funding ecosystem— allowing other income streams such as public funds, grant-making and individual giving to focus on those unable to generate income.
- **Communities in control** – we will work with communities to identify the tools and resources that they need to grow and have more impact.

Who supports the Community Enterprise Growth Plan?

- The Community Enterprise Growth Plan has been developed and supported by a group of social enterprise, charity representative bodies and social investment organisations that have come together with a clear vision of how enterprises with a social purpose can contribute to empowering communities, drive stronger economic growth and productivity and tackle geographic and demographic inequalities.
- This includes Access – the Foundation for Social Investment, Big Society Capital, the Impact Investing Institute, Navca, Power to Change, the School for Social Entrepreneurs, Social Enterprise UK, the Social Investment Business, and UnLtd.

How does this fit with the Dormant Assets scheme?

The Dormant Assets scheme is intended to benefit important social and environmental initiatives across the UK. The 2008 Act describes how resources must be spent in a way that is additional to government spending. Given its very nature, the funding provides long-term, flexible funding that enables expert organisations to focus on creating positive systemic change.

Social investment has demonstrated how significant long-term systems change can be achieved through the utilisation of Dormant Asset money. The Community Enterprise Growth Plan meets these criteria – creating positive systemic change in underserved communities across England through tried and tested mechanisms outside the realistic scope of government support and unlikely to be funded in other ways.

How would this fit alongside other proposed uses of Dormant Assets?

The Community Enterprise Growth Plan is complementary to the Community Wealth Fund proposal. Community Wealth Funds and the Community Enterprise Growth Plan should be seen as different medicines for different ailments; both are needed for a healthier social economy. Whilst the Community Wealth Fund will build the social infrastructure to bring communities together and create the foundations for growth, the Community Enterprise Growth Plan will support the next generation of enterprises to create jobs and leverage investment to create the strong local economies that we need.

How would this contribute to wider strategic social and economic objectives?

The plan lends itself to several measurable impacts including those around job creation, the quality of those jobs (measured against the Taylor Review's 6 high-level indicators) and organisational resilience.

This is consistent with the ambitions set out in the Levelling Up White Paper to encourage enterprise and empower local communities. It would also directly contribute to several departmental priorities notably the Treasury's objective to unlock new and existing private capital to help level up and drive growth across the UK and DCMS's objective to drive growth and recovery in sectors that have a critical impact on social inclusion and wellbeing.